

**PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2008**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/28/09

PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
BOARD OF DIRECTORS  
JUNE 30, 2008

President	Jim House
Vice-President	Floyd Giblin
Secretary/Treasurer	Frances Hooton
Board Members	Ted Fontenot Dinah Medine Phil Medine Myra Smith Polly Snell J. D. Thorton Jan Varnado

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Executive Director	Margaret Basco
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PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
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JUNE 30, 2008

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# HINES, JACKSON & HINES, L.L.C.

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Project Celebration, Inc.  
Many, Louisiana 71449

We have audited the accompanying statement of financial position of Project Celebration, Inc. (a non-profit organization), as of June 30, 2008, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of Project Celebration's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Project Celebration, Inc., as of June 30, 2008, and the changes in its net assets, cash flows, and functional expenses for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated December 8, 2008, on our consideration of Project Celebration's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of Project Celebration, Inc. taken as a whole. The accompanying supplemental information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The financial information for the year ended June 30, 2007, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion dated December 26, 2007, on the financial statements of Project Celebration, Inc.

***Hines, Jackson & Hines***

Natchitoches, Louisiana  
December 8, 2008

EXHIBIT A

PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 192,422	\$ 96,895
Accounts receivables	188,213	189,254
Prepaid expenses	<u>2,717</u>	<u>2,782</u>
Total Current Assets	383,352	288,931
Property and equipment, net	<u>111,237</u>	<u>111,246</u>
Total Assets	<u>\$ 494,589</u>	<u>\$ 400,177</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of long-term debt	\$ 0	\$ 111
Accounts payable and accruals	<u>9,678</u>	<u>8,004</u>
Total Current Liabilities	9,678	8,115
Long-term debt, net of current portion	<u>0</u>	<u>0</u>
Total Liabilities	9,678	8,115
<b>NET ASSETS</b>		
Unrestricted	346,098	279,318
Temporarily restricted	<u>138,813</u>	<u>112,744</u>
Total Net Assets	<u>484,911</u>	<u>392,062</u>
Total Liabilities and Net Assets	<u>\$ 494,589</u>	<u>\$ 400,177</u>

PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	<u>2008</u>			<u>2007</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
UNRESTRICTED NET ASSETS				
Support				
Contributions	\$ 17,692	\$ 20,257	\$ 37,949	\$ 105,967
Contract services	31,560	0	31,560	124,272
Grants and receipts from other governments	538,083	278,880	816,963	695,886
Interest	1,135	486	1,621	1,097
Other	3,499	19,154	22,653	16,090
Total Support	591,969	318,777	910,746	943,312
EXPENSES				
Program Services	449,493	175,639	625,132	602,979
Management and General	75,696	117,069	192,765	158,928
Total Expenses	525,189	292,708	817,897	761,907
Change in Net Assets	66,780	26,069	92,849	181,405
NET ASSETS, Beginning of year	279,318	112,744	392,062	210,657
NET ASSETS, End of year	\$ 346,098	\$ 138,813	\$ 484,911	\$ 392,062

EXHIBIT C

PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 92,849	\$ 181,405
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	4,681	6,226
Bad debt expense	4,243	0
(Increase)/decrease in operating assets		
Accounts receivables	(3,202)	(56,610)
Prepaid expenses	65	115
Increase/(decrease) in operating liabilities		
Accounts payable and accruals	<u>1,674</u>	<u>(641)</u>
Net Cash Provided By/(Used In) Operating Activities	100,310	130,495
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase/construction of property and equipment	<u>(4,672)</u>	<u>(95,964)</u>
Net Cash Provided By/(Used In) Investing Activities	(4,672)	(95,964)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	<u>(111)</u>	<u>(498)</u>
Net Cash Provided By/(Used In) Financing Activities	<u>(111)</u>	<u>(498)</u>
Net Change in Cash	95,527	34,033
CASH, Beginning of year	<u>96,895</u>	<u>62,862</u>
CASH, End of year	<u>\$ 192,422</u>	<u>\$ 96,895</u>

SUPPLEMENTAL DISCLOSURE

Cash paid during the years ended June 30, 2008 and 2007 for interest was \$18 and \$18, respectively.

EXHIBIT D

PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	<u>2008</u>			<u>2007</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>	<u>Total</u>
EXPENSES				
Bad debt expense	\$ 4,243	\$ 0	\$ 4,243	\$ 0
Client expenses	14,288	0	14,288	12,662
Contract services	131,864	0	131,864	100,382
Depreciation	0	4,681	4,681	6,226
Employee benefits	5,724	3,907	9,631	13,405
Insurance	0	4,285	4,285	4,404
Interest expense	0	18	18	18
Legal and professional	0	4,750	4,750	4,750
Membership and dues	0	1,485	1,485	1,053
Material and supplies	24,242	0	24,242	20,944
Office expense	0	6,134	6,134	5,105
Payroll taxes	28,085	8,019	36,104	35,605
Property taxes	0	0	0	784
Rent	0	9,000	9,000	8,250
Repairs and maintenance	0	3,651	3,651	4,224
Salaries	367,118	105,227	472,345	465,416
Telephone	0	10,485	10,485	10,808
Travel and training	49,568	0	49,568	44,678
Utilities	0	16,434	16,434	15,574
Workman's compensation	0	14,689	14,689	7,619
Total Functional Expenses	<u>\$ 625,132</u>	<u>\$ 192,765</u>	<u>\$ 817,897</u>	<u>\$ 761,907</u>

The notes to the financial statements are an integral part of this statement.



PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

**NOTE 1        SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

Project Celebration, Inc. (a non-profit organization) was incorporated June 12, 1989, for the purpose of promoting a chemical-free life style for the youth of Sabine Parish. In June 1996, Project Celebration began operating a domestic violence transitional home for women and children.

**A.        CASH**

Consistent with FASB 95, Statement of Cash Flows, Project Celebration defines cash as not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

**B.        RECEIVABLE**

All receivables are reported at their gross value and, where, applicable, are reduced by the estimated portion that is expected to be uncollected.

**C.        ALLOWANCE FOR DOUBTFUL ACCOUNTS**

Uncollectible amounts are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2008, \$0 were considered to be uncollectible.

**D.        PROPERTY AND EQUIPMENT**

Donations of equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire equipment are reported as restricted support. When donor stipulations are absent regarding how long those donated assets must be maintained, Project Celebration reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Project Celebration reclassifies temporarily restricted net assets to unrestricted net assets at that time. Equipment are depreciated using the straight-line method.

**E.        NET ASSETS**

Project Celebration has elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, Project Celebration is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**F.        PROMISES TO GIVE**

Contributions are recognized when the donor makes a promise to give to Project Celebration that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the

PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2008

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F.      PROMISES TO GIVE (CONTINUED)**

restrictions expire in the fiscal year in which the contributions are reported as increases in temporary or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**G.      CONTRIBUTIONS**

Project Celebration has elected to adopt Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

**H.      ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**I.      INCOME TAXES**

Project Celebration is exempt from income taxes under Internal Revenue Code Section 501(c)(3).

**NOTE 2      CASH**

At June 30, 2008, Project Celebration had cash totaling \$192,422, as follows:

Petty cash	\$            50
Demand deposits	37
Interest bearing accounts	<u>192,335</u>
Total	<u>\$       192,422</u>

At June 30, 2008, Project Celebration had \$223,476 in bank deposits. These deposits were secured from risk by \$100,037 of federal deposit insurance and the remaining \$123,439 was unsecured.

**NOTE 3      ACCOUNTS RECEIVABLE**

At June 30, 2008, Project Celebration had accounts receivable of the following:

Grants and receipts from other governments	\$       185,155
Other	<u>3,058</u>
Total	<u>\$       188,213</u>

PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2008

**NOTE 4      PROPERTY AND EQUIPMENT**

All equipment and leasehold improvements are stated at historical cost. Depreciation is charged as an expense against operations and has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	5-10 years
Leasehold improvements	Lesser of the term of the related lease or 27.5 years

A summary of Project Celebration's property and equipment June 30, 2008, is presented below:

	Cost	Accumulated Depreciation	Net	Depreciation This Year
Land	\$ 68,000	\$ 0	\$ 68,000	\$ 0
Construction in progress	26,221	0	26,221	0
Equipment	18,748	10,500	8,248	3,096
Leasehold improvements	19,711	10,943	8,768	1,585
Total	<u>\$ 132,680</u>	<u>\$ 21,443</u>	<u>\$ 111,237</u>	<u>\$ 4,681</u>

Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account is relieved, and any gain or loss is included in activities.

**NOTE 5      ACCOUNTS PAYABLE AND ACCRUALS**

At June 30, 2008, Project Celebration had accounts payable and accruals of the following:

Vendor	\$ 9,678
Other	<u>0</u>
Total	<u>\$ 9,678</u>

**NOTE 6      TEMPORARILY RESTRICTED NET ASSETS**

At June 30, 2008, Project Celebration had temporarily restricted net assets of \$138,813 related to the domestic violence transitional home program.

**NOTE 7      LEASE OBLIGATIONS**

Domestic Violence Transitional Home

On February 9, 2001, Project Celebration entered into a one year noncancellable operating lease of a building to use as the domestic violence transitional home. The lease also contains unlimited one year renewal options.

Project Celebration was not obligated under any capital lease agreements at June 30, 2008.

PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2008

**NOTE 8           EMPLOYEE RETIREMENT SYSTEM**

All employees of Project Celebration are covered by the Social Security System. Employees contribute 6.2% of their total salary to the System, while Project Celebration contributes a like amount. For the year ended June 30, 2008, total contributions to the System were \$58,570, of which Project Celebration contributed \$29,285 and employees contributed \$29,285. Total payroll for the year ended June 30, 2008 was \$472,345 and total payroll covered by the System was \$472,345. Any future deficit in this System will be financed by the United States Government. Project Celebration has no further liability to the system for the year ended June 30, 2008.

**NOTE 9           LITIGATION**

Project Celebration was not involved in any litigation at June 30, 2008.

**NOTE 10          RISK MANAGEMENT**

Project Celebration is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Project Celebration maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to Project Celebration.

**NOTE 11          CLAIMS AND JUDGEMENTS**

Project Celebration participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, Project Celebration may be required to reimburse the grantor government. Management believes that disallowed expenditures, if any, based on subsequent audits, will not have a material effect on Project Celebration's overall financial position.

**NOTE 12          SUBSEQUENT EVENTS**

Construction Grant

On September 12, 2008, Project Celebration was awarded a grant by the United States Department of Agriculture, Rural Development (USDA) for the construction of a new operations building for \$498,850.

Construction Loan

On November 5, 2008, Project Celebration signed a loan agreement with Peoples State Bank to cover the difference in the anticipated construction cost of the new operations building and the grant from USDA. The loan was for \$80,000, bearing interest at 4.5% with monthly interest payments through maturity on November 5, 2009, and was secured by the construction project.

Construction Contract

On November 5, 2008, Project Celebration signed a construction contract with Ronald Dockens Construction, Inc. for the construction of their new operations building for \$518,769.

PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2008

**SECTION #1**

**SUMMARY OF AUDITORS' RESULTS**

FINANCIAL STATEMENTS

- |    |   |             |
|----|---|-------------|
| 1. | Type of auditors' report issued.  | Unqualified |
| 2. | Internal control over financial reporting:                                    |             |
|    | a) Material weaknesses identified?  | None        |
|    | b) Reportable conditions identified not considered to be material weaknesses? | None        |
|    | c) Noncompliance material to the financial statements noted?                  | None        |

**SECTION #2**

FINANCIAL STATEMENT FINDINGS

None reported.

# HINES, JACKSON & HINES, L.L.C.

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Project Celebration, Inc.  
Many, Louisiana 71449

We have audited the financial statements of Project Celebration, Inc., as of and for the year ended June 30, 2008, and have issued our report thereon dated December 8, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Project Celebration's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Project Celebration's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Project Celebration's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Project Celebration's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Page #2

This report is intended solely for the information and use of *Project Celebration*, management and the Louisiana State Legislative Auditor and is not intended to be, and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Hines, Jackson & Hines***

Natchitoches, Louisiana

December 8, 2008

SCHEDULE 2

PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED  
JUNE 30, 2008

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.



SCHEDULE 3

PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED  
JUNE 30, 2008

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.